

Edward Anson
President, CTI
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July 25, 2004


James E Spearman, Ph.D.
Executive Assistant to Commissioners/
Senior Technical Advisor
PO Drawer 11649
Columbia, SC 29211
(803) 896-5100

RE: DOCKET NO. 2004-167-C – CLARION TELECOMMUNICATIONS, INC. –
Application for a Certificate of Public Convenience and Necessity to provide local
exchange telecommunication services in South Carolina.

Dear Dr. Spearman,

By copy of this letter I certify that I have served the South Carolina Telephone Coalition, (“STSC”) via Margaret Fox of the McNair law firm, the direct testimony of Mr. Edward Anson on behalf of Clarion Telecommunications, Inc. I apologize for not including this notice when I sent the twenty-five (25) copies of this testimony to the commission.

Sincerely,


Edward M. Anson
President, CTI

BEFORE THE
SOUTH CAROLINA
PUBLIC SERVICE COMMISSION

DOCKET NO. 2004-167-C

In the Matter of Application of Clarion Telecommunications, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange Service within the state of South Carolina, for Flexible Rate Structure for Local Exchange Service Offerings First Approved in Docket No. 97-467-C, and for Alternative Regulation First Approved in Docket No. 95-661-C

TESTIMONY OF EDWARD ANSON

1. Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

2. A. My name is Edward Anson. I hold the position of President of Clarion
3. Telecommunications, Inc., ("Clarion"). My business address is 120 W
4. Richardson Ave, Summerville SC 29483.

5. Q. PLEASE PROVIDE A BRIEF SUMMARY OF YOUR WORK
6. EXPERIENCE.

7. A. I hold the position of President of Clarion Telecommunications, Inc. where I am
8. responsible for all strategic, network deployment and operational issues related to
9. Clarion's provision of telecommunications services. I have worked for over two
10. years as the sole technician, provisioner of lines, customer service manager, and
11. Incumbent Local Exchange Carrier (ILEC) contact for a CLEC that provided
12. pre-paid local exchange service in South Carolina. I created and have since
13. further modified a secure internet delivered application that handles nearly all
14. operational aspects for Clarion. This application provides detailed customer
15. information to any authorized employee or agent of Clarion, seamless ordering
16. integration with BellSouth's LENS application, customer bills and notices, and
17. reconciliation of all bills owed by Clarion to ILEC's. In addition this application
18. provides innovative and robust retail sales and agency functions that will help

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UTILITIES DEPARTMENT

19. Clarion to secure and track sub agencies for neighborhood payment and customer
20. service centers. I have over ten years experience in the Information Technology
21. industry both as a programmer and project lead working with financial
22. applications for such high profile clients as: MBNA, FORD Motor Credit, and
23. American Honda Finance Corporation.

24. **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

25. A. The Purpose of my testimony is to support the request of Clarion in its
26. application for a Certificate of Public Convenience and Necessity to
27. provide local exchange services in the State of South Carolina.

28. **Q. ARE YOU FAMILIAR WITH THE APPLICATION CLARION**
29. **SUBMITTED TO THIS COMMISSION?**

30. A. Yes.

31. **Q. IS EVERYTHING IN THE APPLICATION TRUE AND CORRECT**
32. **TO THE BEST OF YOUR KNOWLEDGE?**

33. A. Yes.

34. **Q. PLEASE DESCRIBE CLARION AND ITS BUSINESS ACTIVITIES.**

35. A. Clarion was organized under the laws of the State of South Carolina on
36. April 15, 2004, and has its principal place of business at 120 W
37. Richardson Ave, Summerville, South Carolina 29483. Clarion was
38. formed for the purpose of providing a full-range of local exchange
39. telecommunication services to business, commercial and residential
40. customers.

41. **Q. PLEASE DESCRIBE THE AUTHORIZATION SOUGHT BY**
42. **CLARION IN THIS PROCEEDING.**

43. A. Clarion seeks authority to lease transmission lines and unbundled network
44. elements obtained from telecommunications carriers or other providers
45. operating in South Carolina. Currently, Clarion, does not own, operate or
46. control, directly or indirectly, transmission facilities that are capable of
47. providing any local or long distance telecommunications or data
48. communications services in South Carolina.
49. Initially, Clarion intends to offer only local exchange in South Carolina.
50. In the future, Clarion intends to provide a wide variety of traditional local
51. voice and data telecommunications services to business and residential
52. customers in the State of South Carolina. The facilities over which those
53. services will be provided by Clarion will be interconnected to the public
54. switched telephone network, and Clarion's services may include single and
55. multi-line business services; complex services such as CENTREX, high-
56. capacity private line voice services and ISDN; access services; and
57. optional CLASS service features such as call waiting, call forwarding,
58. three-way calling, speed dialing, call return, unpublished number and
59. caller identification.
60. Additionally, in the future, Clarion intends to provide facilities-based and
61. resold inter-exchange (inter-a-LATA and intra-LATA toll)
62. telecommunications services to business and residential customers through
63. use of a combination of unbundled network elements leased from other
64. certificated carriers, and long distance transmission facilities leased or
65. purchased from certificated long distance carriers. Until Clarion's

66. facilities are operational, Clarion intends to provide inter-exchange
67. telecommunications resale services. Clarion's proposed inter-exchange
68. services will for the present not include direct dial ("1+") services,
69. measured toll services, or any other service that may be billed to
70. customer's account on a per-use basis.

71. Finally, Clarion seeks Commission approval for alternative regulation
72. as was first approved by the Commission in Docket No. 95-661-C.

73. **Q. PLEASE DESCRIBE HOW CLARION PROPOSES TO**
74. **PROVIDE LOCAL EXCHANGE TO CUSTOMERS IN SOUTH**
75. **CAROLINA.**

76. A. Clarion intends to provide such services by (i) reselling the services of
77. other certified local exchange carriers operating in the State of South
78. Carolina and by (ii) leasing transmission lines and unbundled network
79. elements obtained from telecommunications carriers or other providers
80. operating in the State of South Carolina.

81. **Q. PLEASE DESCRIBE THE TECHNICAL RESOURCES OF**
82. **CLARION.**

83. A. Clarion will employ a 128 bit encrypted, internet delivered application that
84. will make customer information available anywhere in the world to
85. officers and agencies real time. Repair and ordering information when
86. entered is available immediately to Clarion's dedicated support staff. Any
87. new service or repair requests will not only be available in report form
88. for employees with appropriate access levels, but will be both emailed to

89. Mr. Edward Anson's email account and text messaged to his cell phone.
90. Every action on an account is recorded in the notes portion of the account
91. and is available 24 hours a day 7 days a week. Clarion utilizes core
92. dedicated staff as well as customer service representatives who
93. function in a primarily retail sales capacity. The core staff is competent in
94. all areas of telephone management including finance, operations,
95. regulation, engineering, network, and sales.

96. **Q. PLEASE IDENTIFY THE AREAS WITHIN THE STATE OF**
97. **SOUTH CAROLINA FOR WHICH THE CHARTER IS**
98. **REQUESTING AUTHORITY IN THIS APPLICATION.**

99. **A.** Clarion will operate everywhere in the State of South Carolina to the
100. fullest extent permitted by applicable law or Commission order. Initially
101. these areas will be limited by those in which Clarion is able to secure a
102. reseller agreement with Incumbent Local Exchange Carriers (ILECs).

103. **Q. PLEASE STATE WHETHER THE CHARTER UTILIZES**
104. **SCRIPTS OR ENGAGES IN THE PRACTICE OF**
105. **TELEMARKETING TO SELL ITS SERVICES.**

106. **A.** Clarion will not utilize a marketing script nor ever engage in telemarketing
107. practices in order to sell its services. Telemarketing practices, or "cold
108. calling", is seen as obtrusive by the customer and would present Clarion in
109. an unfavorable fashion to its desired customers.

110. **Q. PLEASE STATE CLARION'S PRODUCT DISTRIBUTION**
111. **AND MARKETING STRATEGY.**

112. Clarion will Leverage its exceptional information technology (IT)
113. resources that include its State of the art retail sales delivery system to
114. form agency relationships with independent retail operations, and make
115. extensive use of directed mailing campaigns. Clarion's trademark is
116. easily recognizable. Retail and, more ideally, independent cellular
117. storefronts, will be offered a complete IT package that includes but is not
118. limited to: Point of Sale, end of period accounting, employee maintenance,
119. and customer resource management for their customers; provided that they
120. provide Clarion's telephony products at a to be determined commission
121. per-payment rate and display Clarion's trademark in a conspicuous
122. location.

123. **Q. WILL CLARION FILE TARIFFS FOR APPROVAL WITH**
124. **THE COMMISSION THAT INCLUDE THE REGULATED**
125. **INTRASTATE SERVICES TO BE OFFERED IN SOUTH**
126. **CAROLINA.**

127. **A.** Yes, Clarion will file its tariff with the Commission for approval. Copies
128. of Clarion's proposed tariff for local exchange service are attached as an
129. exhibit to the Application in this Docket.

130. **Q. HOW WILL CLARION PERFORM BILLING FOR THE**
131. **SERVICES OFFERED?**

132. **A.** Clarion intends to bill its customers directly for local exchange service.
133. The charges, based upon the rates which will be set forth in Clarion's
134. tariff, Clarion's name, its toll free number for customer assistance, and all

135. store and agency locations will appear on all invoices. Clarion will
136. initially handle all billing in-house. Clarion's software package runs a
137. routine every night that updates all customer billing information.
138. Customer charges and credits are recalculated from account inception
139. every evening and a detailed account history output to a billing report.
140. This process is far less error prone than other industry processes that
141. merely use a transactional or differential method of calculating a
142. customer's bill that often perpetuate errors from one billing cycle to the
143. next. Clarion's billing process has been shown to be nearly one hundred
144. percent accurate. Every morning, until Clarion's customer base grows to a
146. point where an outside billing agency will be employed to mail the billing
147. materials, Clarion's officers will fold, sort, and mail billing material for all
148. customers whose due date is two weeks in the future.

149. **Q. HOW WILL SOUTH CAROLINA CUSTOMERS CONTACT**
150. **CLARION'S CUSTOMER SERVICE DIVISION?**

151. **A.** Customers may contact Clarion's customer service representatives
152. regarding a broad range of service matters, including (1) the types of
153. services offered by Clarion and rates associated with such services; and
154. (ii) problems or concerns pertaining to the consumer's current service.
155. South Carolina customers have several options for contacting Clarion's
156. customer service division. Clarion will employ a primarily "brick and
157. mortar" product distribution strategy. Clarion will have numerous
158. physical store fronts operated directly by Clarion or by an agency of

159. Clarion. The customer service representatives that are employed in these
160. locations will be trained in basic customer service. For service outage
161. issues, they will be trained in how to direct the customer to locate and test
162. the demarcation point (DEMARC). The customer service representative
163. then will for any repair issues enter a repair request that will be instantly
164. available to Clarion's management team. All customer contact will be
165. recorded on the customer's account using the notes feature of Clarion's IT
166. system. In addition, a customer may call any of Clarion's, or Clarion's
167. agencies', storefronts. Finally a toll free 1-800 number, 1(800)
168. 313-0741, is provided to contact Clarion's management that will be
169. answered from 9am – 6pm Monday through Friday and 10am to 3pm on
170. Saturdays.

169. **Q. IS CLARION PREPARED TO COMPLY WITH SOUTH**
170. **CAROLINA LAW AND WITH ALL APPLICABLE RULES**
171. **AND REGULATIONS OF THE COMMISSION?**

172. **A.** Yes, it is.

173. **Q. WILL CLARION OFFER SERVICES TO END-USERS ON**
174. **A NON-DISCRIMINATORY BASIS WITHIN ITS**
175. **DESIGNATED SERVICES AREAS?**

176. **A.** Yes, it will. Clarion will offer identical pricing and services to all its
177. customers, even when the price to Clarion from different ILEC's is not
178. identical.

179. **Q. DOES CLARION HAVE THE TECHNICAL ABILITY TO**

180. **OFFER THE SERVICES PROPOSED IN ITS APPLICATION?**

181. A. Yes, it does.

182. **Q. DOES CLARION HAVE THE MANAGERIAL EXPERIENCE TO**
 183. **OFFER THE PROPOSED SERVICES IN SOUTH CAROLINA?**

184. A. Yes, it does.

185. **Q. IS CLARION FINANCIALLY FIT TO PROVIDE THE SERVICES**
 186. **PROPOSED IN THIS APPLICATION?**

187. A. Yes. Clarion possesses sufficient financial capability to provide its local
 188. exchange telecommunications services on a continuing basis. Clarion is
 189. affiliated with Action Cellular, Inc. a corporation wholly owned by Mr.
 190. Joesph Cantrell, vice-president and a fifty percent shareholder in Clarion
 191. Telecommunications, Inc. In addition to his initial capital investment in
 192. Clarion, Mr. Cantrell has pledged personal assets should
 193. they be necessary for Clarion to provide the services set forth in its
 194. Application. Clarion has also entered into an agency agreement with
 195. Phone Smart, Inc. in which Phone Smart has agreed to sell Clarion's local
 196. exchange service and provide initial customer care in all of its thirteen
 197. retail sales locations.

198. **Q. IN YOUR OPINION, IS THE GRANTING OF CLARION'S**
 199. **APPLICATION IN THE PUBLIC INTEREST?**

200. A. Yes. Clarion will improve the overall quality and variety of services
 201. available in South Carolina by providing business and residential
 202. customers competitive rates and capable, responsible, and easily,

203. personally accessible customer service. By offering customers greater
204. variety and choice among local exchange carriers, Clarion's presence in
205. the South Carolina market will increase competition in the
206. telecommunications and data communications services market, and
207. motivate other companies to provide innovative services, improve the
208. quality of their networks, and lower prices.

209. **Q. WHERE WILL THE RECORDS PERTAINING TO YOUR SOUTH**
210. **CAROLINA OPERATIONS BE KEPT?**

211. **A.** At least initially, such records will be physically kept by Clarion at its
212. offices in Summerville, South Carolina. Those records will be under my
213. supervision. The physical address is 120 W Richardson Ave,
214. Summerville, South Carolina 29483. Accordingly, Clarion requests that
215. the Commission waive application of Rule 103-610, and allow
216. Clarion to keep its records at the above-reference address. I can assure
217. this Commission that Clarion will provide expeditiously any and all
218. records that may be requested by the Commission or its Staff.

219. **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

220. **A.** Yes, it does.